

REMARKS/ARGUMENTS

By this paper, Applicant replies to the Office Action of April 1, 2011 and respectfully requests reconsideration of the application.

By the time the Examiner picks up this Reply, this application will have been pending *ten years*. This Action does nothing to move the application forward: the § 112 discussion misquotes the claims, the § 103 discussion omits claim elements, several issues raised in Applicant's most recent papers go unanswered. Prosecution cannot advance when an Action does not consider the claims carefully, accurately, and precisely, and fails to answer all material traversed.

This Action is so inadequate that it should not count toward final rejection—if any claim is rejected, the rejection should be non-final, and that Action should be *careful*, complete, precise, and informative in ways that will permit Applicant to move the application forward.

I. § 112 ¶ 2

A. Claim 1, “receiving the bid to buy the item”

The Action, at page 4, in an unnumbered subparagraph of paragraph 8, reads as follows:

Claim 1 recites “receiving the bid to buy the item” (emphasis added). However, prior to the receiving of the bid, the claim also recites “receiving a bid command” and generating an offer to sell based on “at least one of a price and a size for a bid to buy the item...”. Therefore, to one of ordinary skill it is not clear which bid is received, the bid command or the bid used to generate the sell offer (In re Zletz, 13 USPQ2d 1320 (Fed. Cir. 1989)). Claim 30 is also rejected as it recites similar language.

Before amendment, claim 1 read as follows:

1. A method comprising the steps of:
 - by a computer for a trader for use in an electronic trading system, presenting to the trader an order entry user interface, the computer being programmed:
 - to receive through the order entry user interface simultaneously as part of a single command from the trader, two orders for buying and/or selling an item, and
 - to receive a price spread between the prices for the two orders;

the electronic trading system being programmed to generate automatically a price for one or both of the orders based on the trader's received price spread; and submitting the two orders into the electronic trading system to be matched against counterorders.

Claim 1 did not at the time of the Action, and does not now, recite either "receiving the bid to buy the item" or "receiving a bid command" or "at least one of a price and a size for a bid to buy the item."

The Action has no relevance to claim 1. It likewise has no relevance to claim 30.

B. Claim 4, "bid command is received when the trader selects the bid price"

The Action, at the top of page 5, reads as follows:

Claim 4 has been amended to recite "the bid command is received when the trader selects the bid price for the item" (emphasis added). According to claim 1, Applicant's method is initiated by the receiving of a bid command. However, as claim 4 recites "when" it is unclear to one of ordinary skill whether or not the bid command is ever received (In re Zletz, 13 USPQ2d 1320 (Fed. Cir. 1989)). Claims 17, 33, and 47 are also rejected as each recites similar language.

Claim 4, which is unamended, recites as follows:

4. The method of claim 2, wherein:
the current bid and offer data comprises a bid price for the item, and
receiving a selection of a price of the bid and offer data comprises receiving a selection of the bid price for the item.

The Action has no relevance to claim 4.

C. Claims 109 and 115, "better" price

An unnumbered paragraph of the Action reads as follows:

The term "better" in claims 109 and 115 is a relative term which renders the claim indefinite. The term "better" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Claims 109 and 115 recite as follows:

109. The method of claim 106, comprising populating the at least one field for specifying at least one term for the bid to buy the item with a price a predetermined amount better than the selected bid price.

115. The method of claim 112, comprising populating the at least one field for specifying at least one term for the offer to sell the item with a price a predetermined amount better than the selected offer price.

Applicant's Appeal Brief of at page 6, discussed this issue as follows:

Claims 109 and 115

The Examiner rejects claims 109 and 115 alleging the term “better” renders the claim indefinite because there is no standard for ascertaining the requisite degree. The Examiner is mistaken. Claim 109 recites “populating the at least one field for specifying at least one term for the bid to buy the item with a price a predetermined amount better than the selected bid price”. One skilled in the art understands that a bidder that desires to “better” an existing bid price wants beat the existing bid price. Therefore, better in this context implies higher. In the context of 115, better implies a lower price as one skilled in the art understands that a seller that wants to better an existing offer price wants to beat the existing offer price. This notion is supported by the specification at page 13, lines 5-11.

The Examiner's Answer responded by misstating the claim language.

Those of ordinary skill in the art use the term “better” price the same way *everybody* else does, in everyday usage: a “better” price for a bid to buy is a higher price. A “better” price for an offer to sell is a lower price. A “price a predetermined amount better than the selected” price is one that is “better” in the relevant direction by the “predetermined amount.”

This Action fails to answer all material traversed. Until the Examiner communicates some rationale that reflects the claim language, and that reflects the ordinary understanding of the term a “better” price, and how that everyday understanding is insufficient to reach a definite understanding of the claim, Applicant can do no more. Applicant asks the Examiner to engage with the application.

II. § 101

The Action purports to reject claims 1 and 14 under § 101. The Action urges that the claims should be amended “to positively recited the machine that accomplishes the method step.”

Even before amendment, claims 1 and 14 recited as follows, in relevant part:

1. A method comprising the steps of:
by a **computer** for a trader for use in an electronic trading system, presenting to the trader an order entry user interface, the computer being programmed:
to receive through the order entry user interface ... an order ..., and
to receive a price spread ...;

the *electronic trading system being programmed* to generate automatically a price for one or both of the orders based on the trader's received price spread; and submitting the two orders into the electronic trading system to be matched against counterorders.

14. A method comprising the steps of:
displaying current bid and offer data regarding orders to buy and/or sell an item, the displaying being to a trader and *performed by a trader computer* of an electronic trading system, the system being programmed to match orders to buy and sell the item;
at the trader computer of the electronic trading system, receiving from the trader a selection of a piece of the bid and offer data; ...

If this is not “positively reciting the machine that accomplishes the method step,” what is? The Action fails to consider the claim language, and leaves Applicant with no insight into any problem the Examiner might perceive. Without some communication from the Examiner regarding *the claim language*, Applicant cannot further reply in any meaningful way.

III. The Action fails to examine claim 30

The Action, at paragraph 10, groups claim 30 with claims 1 and 14. But claim 30 recites limitations different than claims 1 and 14. Claim 30 recites as follows:

30. A method comprising the steps of:
by a computer for a trader for use in an electronic trading system, presenting to the trader a order entry user interface, the computer being programmed:
to receive through the order entry user interface *simultaneously as part of a single command from the trader, a bid to buy and an offer to sell an item*, and
to receive a price spread between the prices for the two orders;
the electronic trading system being programmed to generate automatically at least one of a price and a size for the bid to buy the item based on at least one of a price and a size for the offer to sell the item and a pre-set spread amount; and
in response to a single act of the trader, submitting the two orders into the electronic trading system to be matched against counterorders.

The Action is simply silent on the highlighted claim language (unless the misparaphrase at page 6 of the Action was intended to be relevant). Claim 30 has not been examined, let alone rejected.

IV. The Action neglects to consider the meaning of terms of art used in claim 1 and in Nieboer '419

The Action, in paragraph 10, matches up a few isolated words of claim 1, taken out of context, to isolated words in Nieboer '419, taken out of context. Claim 1 recites as follows:

1. A method comprising the steps of:
 - by a computer for a trader for use in an electronic trading system, presenting to the trader an order entry user interface, the trader computer being programmed:
 - to receive from the trader a price spread to be applied in generation of a two-sided order, being a bid to buy an item and an offer to sell the same item, the bid and offer to be submitted by the trader to the electronic trading system, the user interface designed to permit rapid entry of two-sided orders;
 - to receive through the order entry user interface simultaneously as part of a single command from the trader, instructions to generate a bid to buy an item and an offer to sell the same item on the electronic trading system, and
 - to automatically generate a price for the bid or the offer based on the trader's received price spread; and
 - from the trader's computer, to submit the bid and offer into the electronic trading system to be matched against counterorders.

The Action fails to recognize that the term “spread” is being used in two different ways. The definition of “spread” used in claim 1 is expressly recited in claim 1, a value used to generate the prices of two orders from the same trader. Nieboer '419 states his definition of “spread” at col. 14, lines 46-47, as the difference between the best bid and best offer, even though those are typically orders from two different parties. The two are quite different. One cannot be substituted for the other.

The Action does not compare the relevant claim language to Broka '483.

Claim 1 recites an element that is absent from the art. Claim 1 is not obvious.

V. Claim 14 and the combination of Nieboer '419 and Broka '483

Claim 14 is discussed at page 6 of the Action. Claim 14 recites:

14. A method comprising the steps of:
 - displaying current bid and offer data regarding orders to buy and/or sell an item on a display of a trader's computer of an electronic trading system, the system being programmed to match orders to buy and sell the item;
 - at the trader computer of the electronic trading system, receiving from the trader a selection of a displayed datum of the displayed order data;
 - displaying to the a trader at *an order entry user interface* that permits entry of a second order to buy or sell the item, the order entry interface providing *fields* to specify terms of an order to buy or sell the item, *at least one field for specifying at least one term for the second order being populated with the selected datum*, and at least one other field populated with the at least one of a price and a size generated automatically by the electronic trading system based on at least one of a price and a size for the order of the selected datum and a spread amount previously set by the trader.

Nieboer '419 does not provide an “order entry user interface ... providing fields to specify terms of an order ... populated with the selected datum.”

Claim 14 is not obvious.

VI. The showings of the legal elements of obviousness is not legally adequate

The Action states that the motivation to combine Nieboer '419 and Broka '483 is “to optimize profit margin.” This is transparent bloviation. The Office Action cites no evidence—*KSR* reiterated that “reason to combine” must be “objective,” not mere examiner speculation. The Action does not even indicate *whose* profit margin is “optimized,” what an “optimal” profit margin would be, or how the combination would realize that “optimum.” It has long been the law that a “motivation to combine” must be specific to the references,¹ not hand-waving boilerplate.

The Action also states that the invention would have been obvious because “it would have been obvious ... to combine.” “Obvious because it would have been obvious” is not a permissible showing of obviousness. The Examiner is referred to the PTO’s most recent obviousness guidelines, *Examination Guidelines Update: Developments in the Obviousness Inquiry After KSR v. Teleflex*, 75 Fed. Reg. 53643 (Sept. 1, 2010), and Applicant urges the Examiner to use one of the recognized tests for obviousness:

- Combining prior art elements according to known methods to yield predictable results²—the Action makes no showing of “combining ... according to known methods”
- Simple substitution of one known element for another to obtain predictable results;³—the Action makes no showing that substitution would be “simple”
- Use of known technique to improve similar devices (methods, or products) in the same way⁴—the Action makes no showing that the two devices being improved are “similar,” or that the improvement would work “the same way” or that any improvement technique is “known”

¹ *In re Lee*, 277 F.3d 1338, 1342–43, 61 USPQ2d 1430, 1432–33 (Fed. Cir. 2002) (“The need for specificity pervades [Federal Circuit] authority.” citations omitted).

² MPEP § 2143(A); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 416, 82 USPQ2d 1385, 1395 (2007) (“a combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”).

³ MPEP § 2143(B); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 416, 82 USPQ2d 1385, 1395 (2007) (“a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.”).

⁴ MPEP § 2143(C); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 417, 82 USPQ2d 1385, 1396 (2007) (“if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”).

- Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results⁵—the Action makes no showing of “ready for improvement”
- “Obvious to try,” which requires choosing from a finite number of identified, predictable solutions, with “design need or market pressure,” and reasonably anticipated success⁶—the Action makes no showing of “design need or market pressure”
- Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art⁷—the Action makes no showing of “design incentives or other market forces,” or that “the variations are predictable”
- Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention, with a finding of reasonable expectation of success, with “whatever additional findings ... may be necessary.”⁸—the Action makes no showing of “teaching, suggestion or motivation to combine” based on substantial evidence, and totally omits consideration of “reasonable expectation of success.”

The Action makes no meaningful showing of obviousness.

VII. Dependent claims

The dependent claims are patentable with the independent claims discussed above. In addition, the dependent claims recite additional features that further distinguish the art.

VIII. Conclusion

Applicant hereby authorizes the USPTO to communicate with any authorized representative concerning this application by electronic mail.

⁵ MPEP § 2143(D); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 416, 82 USPQ2d 1385, 1395 (2007) (“The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”).

⁶ MPEP § 2143(E); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 421, 82 USPQ2d 1385, 1397 (2007) (“When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp. If this leads to the anticipated success, it is likely the product not of innovation but of ordinary skill and common sense.”).

⁷ MPEP § 2143(F); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 417, 82 USPQ2d 1385, 1396 (2007) (“When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.”).

⁸ MPEP § 2143(G).

In view of these remarks, Applicant respectfully submits that the claims are in condition for allowance. Applicant requests that the application be passed to issue in due course. The Examiner is urged to telephone Applicant's undersigned counsel at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance. For the entire pendency of this application, the Commissioner is hereby authorized to charge any additional required fees (including all extension of time fees), or credit any overpayment, to Deposit Account No. 50-3938, Order No. 01-1041.

Respectfully submitted,
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Dated: October 3, 2011

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